



February 13, 2014
NEXON Co., Ltd.

Nexon Announces Fourth Quarter and Full Year 2013 Results

43% Full Year Revenue Growth

Generated Over ¥60 Billion in Cash Flow from Operations

TOKYO – February 13, 2014 – NEXON Co., Ltd. (“Nexon”) (3659.TO), a worldwide leader in free-to-play online games, today announced financial results for its fourth quarter and fiscal year ended December 31, 2013.

Fourth quarter revenues grew 12% year-over-year and full year revenues grew 43% year-over-year. Fourth quarter IFRS operating income decreased 96% year-over-year due to impairment loss primarily from consolidated subsidiary NDOORS Corporation.

“We are proud of Nexon’s many accomplishments in 2013, including the strong performance of our business in China, which continued to generate solid cash flow as *Dungeon&Fighter* remained a top-performing game in the region, and of our Korean business, which demonstrated significant growth driven by the strength of new and existing titles,” said Seungwoo Choi, President and Chief Executive Officer of Nexon. “While we are still underperforming in Japan and the West, we made excellent progress against our long-term strategic initiatives by entering into commercial partnerships with and making investments in several studios headed by world-class developers.

We also announced changes to our management team, and are looking forward to our new team’s enhanced efforts to grow our business in those markets.”

Fourth Quarter Fiscal 2013 Financial Highlights (IFRS) ¹

(Millions of yen, except for per share data)

	Q4 2012	Q4 2013	YoY%
Revenues	¥30,882	¥34,467	12%
PC	23,813	27,750	17%
Mobile	7,070	6,717	(5%)
Operating income ²	8,793	327	(96%)
Net income(loss) ³	552	(4,437)	
Earnings(loss) per share:	1.27	(10.10)	

Footnotes:

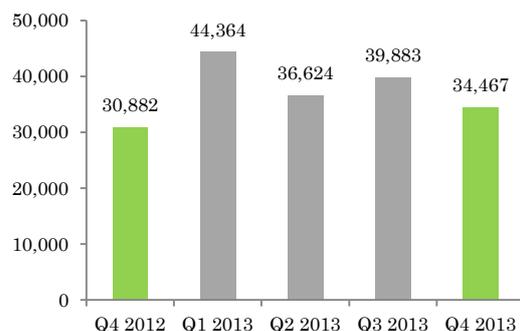
¹ Nexon voluntarily adopted IFRS beginning in the first quarter of 2013.

² Operating income includes recorded impairment loss of ¥9.5 billion, primarily from consolidated subsidiary NDOORS Corporation.

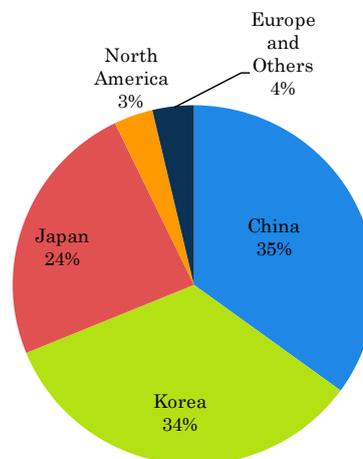
³ Net income (loss) refers to net income (loss) attributable to owners of the parent, as stated in Nexon’s consolidated financial results. Nexon also recognized a ¥2.5 billion impairment loss from equity method affiliates related to 6waves Inc., which the Company recorded in finance costs under IFRS.

Quarterly Trend in Revenues

(Unit: ¥ millions)



Revenue by Region



Revenue by Region¹ (IFRS)

(Unit: ¥ millions)

Revenue by Region	Q4 2012	Q4 2013 (As- Reported)	Q4 2013 (Constant Currency) ³	YoY % Change	
				As- Reported	Constant Currency ³
China	¥11,074	¥12,065	¥9,047	9%	(18%)
Korea	7,057	11,654	8,728	65%	24%
Japan	10,037	8,274	8,274	(18%)	(18%)
North America	1,117	1,201	949	8%	(15%)
Europe and Others ²	1,596	1,273	959	(20%)	(40%)
Nexon Total	30,882	34,467	27,956	12%	(9%)

Footnotes:

¹ Based on the region in which revenues originate; not a representation of our revenues according to Nexon entities.

² Others consists of other Asian countries and South American countries.

³ On a constant currency basis (using Q4 2012 currency exchange rates).

Fourth Quarter 2013 Regional Highlights

China

Fourth quarter revenues were up 9% year-over-year, or down 18% on a constant currency basis, in line with management's internal expectations. *Dungeon&Fighter* revenue decreased single digit year-over-year on a constant currency basis in line with management's internal expectations.

Korea

Fourth quarter revenues were up 65% year-over-year, or up 24% on a constant currency basis, driven by continued strong performance of *FIFA Online 3* and double-digit growth of *Dungeon&Fighter*, *Sudden Attack*, and *Mabinogi*. Five mobile titles were launched during the quarter, with two exceeding KRW 1 billion in 30-day revenues.

Japan

Fourth quarter revenues were down 18% year-over-year due to lower mobile and PC revenues. The Company launched mobile titles *Skylock* and *Wake Up! Girls* during the quarter.

North America, Europe and Others

Fourth quarter revenues in North America were up 8% year-over-year, or down 15% on a constant currency basis. Fourth quarter revenues for Europe and other regions were down 20% year-over-year, or down 40% on a constant currency basis.

Fiscal Year 2013 Financial Highlights

- Total revenues were ¥155.3 billion, an increase of 43% over the prior fiscal year.
- Operating income was ¥50.7 billion, an increase of 7% over the prior fiscal year. Operating income margin was 33%, compared to 44% in 2012.
- Net income (attributable to owners of the parent) was ¥30.1 billion, an increase of 7% over the prior fiscal year.
- Earnings per share were ¥68.83, up from ¥65.37 in 2012.

Management Change

In a separate statement today, Nexon also announced that its Board of Directors has appointed Owen Mahoney as the Company's President and Chief Executive Officer-elect, effective following the Annual General Meeting of Shareholders to be held on March 25, 2014. Mr. Mahoney, who currently serves as Nexon's Chief Financial Officer and Chief Administrative Officer, will succeed Seungwoo Choi, who has decided to retire and will assume the advisory role of Honorary Chairman. Both Mr. Choi and Mr. Mahoney will continue to serve in their current roles until the general shareholders' meeting.

In conjunction with the CEO transition, Shiro Uemura, presently general manager of the Accounting and Finance Department, will replace Mahoney as Chief Financial Officer. Koji Abe, General Counsel, will assume the additional role of Chief Administrative Officer.

First Quarter 2014 Business Outlook

The following table presents Nexon's outlook for the first quarter of fiscal 2014.

(Millions of yen)	Q1 2013 (IFRS)	Q1 2014 (IFRS)	
Revenues	¥44,364	¥42,030	~ ¥45,661
PC	36,877	35,672	~ 38,658
Mobile	7,487	6,358	~ 7,003
Operating income	20,716	15,619	~ 18,704
Net income¹	15,150	12,128	~ 14,480
Earnings per share	34.77	27.60	~ 32.96

Footnote:

¹ Net income(loss) refers to net income(loss) attributable to owners of the parent, as stated in Nexon's consolidated financial results.

The Company also expects a weaker Japanese yen to continue to contribute to year-over-year growth based on its ¥100.46 per US\$1 and ¥9.48 per KRW100 currency exchange assumptions.



Conference Call and Webcast

Nexon management will host an earnings presentation for analysts, investors and the media, which will be conducted in Japanese with simultaneous English interpretation today, at 4:30 pm Japan Standard Time (JST) / 2:30 am Eastern Standard Time (EST) to discuss Nexon's financial results and outlook. A video replay of the presentation will be made available via Nexon's Investor Relations website a few days after the presentation.

There will also be a live conference call conducted in English at 10:00 pm JST / 8:00 am EST. A replay will be made available 60 minutes following the conclusion of the conference call, and a transcript will be available a few days after. Dial-in information is as follows:

Conference call dial-in:	1-412-902-6602 (US)
Conference call replay:	1-412-317-0088 (US)
Replay passcode:	10038374#

For additional information regarding Nexon's fourth quarter and full year 2013 financial results, please visit the Investor Relations section of Nexon's website at <http://ir.nexon.co.jp/en/>.

This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.

About NEXON Co., Ltd. <http://company.nexon.co.jp/>

NEXON Co., Ltd. ("Nexon") (3659.TO) is a worldwide leader in free-to-play online games. Founded in Korea in 1994, Nexon developed one of the world's first graphics-based massively multiplayer online games. Nexon also pioneered the concept of microtransactions and the free-to-play business model, setting a new standard in which play is free, and users have the option to purchase in-game items to enhance their experience. Nexon currently services nearly 60 online games in more than 100 countries and since its founding, Nexon has generated more than 1.4 billion player registrations. The Company is headquartered in Tokyo, Japan and its shares are listed on the Tokyo Stock Exchange.

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